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Southeast Asia After 9/11: Regional Trends and U.S. Interests

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and the Pacific House of Representatives Committee on
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**Testimony of Angel M. Rabasa
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before the

**Subcommittee on East Asia and the Pacific
House of Representatives Committee on International Relations**

December 12, 2001

Mr. Chairman:

Thank you for inviting me to testify on threats to the security and stability of Southeast Asia and to U.S. security interests in the region.¹ With a population of 500 million and vast natural resources, Southeast Asia² is an area of enormous strategic importance that has not always received the level of attention it deserves. Southeast Asia is the crossroads between the concentration of industrial, technological, and military power in Northeast Asia and the Indian subcontinent and the Middle East. A high proportion of the trade of Japan, the Republic of Korea, Taiwan, and Australia, including much of their oil imports, transit the straits and sea lanes of communication of Southeast Asia. From a military standpoint, these straits and sea lanes of communication are critical to the movement of U.S. forces from the Southwest Pacific to the Indian Ocean, the Middle East, and beyond.

In today's statement, I focus on the threats to the security and stability of Southeast Asia and to U.S. security interests in the region in terms of three categories: (1) conventional military threats; (2) threats of international terrorist and radical networks; and (3) internal threats to the

¹This statement is based on a variety of sources, including this research conducted over the last three years on Southeast Asian security issues as part of RAND's Project AIR FORCE, RAND's federally funded research and development center (FFRDC) for the United States Air Force. The specific project was sponsored by the Deputy Chief of Staff for Air and Space Operations, United States Air Force, and by the Commander, Pacific Air Forces.

²Southeast Asia is defined as the ten member countries of the Association of Southeast Asian Nations (ASEAN). This statement focuses on the major countries of the original core of ASEAN (Indonesia, Malaysia, Singapore, the Philippines, and Thailand).

stability of Southeast Asian nations. Following that discussion, I discuss some recommendations for an integrated U.S. approach to regional security.

CONVENTIONAL MILITARY THREATS

In the conventional military arena, the primary area of concern is China's emergence as a major regional power, linked to China's exorbitant claims in the South China Sea. Beijing's quest for improved power-projection capabilities, assertiveness in pressing its maritime and territorial claims in the South China Sea, and track record of using military power to enforce its claims have stirred apprehension in Southeast Asia about China's intentions. Much of this concern reflects an underlying, if sometimes unspoken, fear that China's assertiveness will increase as its power grows. As a result, many of the nations in Southeast Asia rely on the United States to guarantee regional stability and security and balance China's growing power.

Although the prospects appear remote that China will mount a major conventional attack in the South China Sea in the foreseeable future, the possibility cannot be ruled out that hostilities could break out between China and one of the Southeast Asian states as the result of an incident that spins out of control or that conflict could be triggered by energy exploration or exploitation activities. It is also conceivable that armed conflict could extend to the South China Sea as the result of a confrontation between China and the United States over Taiwan.

Having outlined these potential sources of conflict, it is important to point out that there are countervailing factors that might inhibit aggressive Chinese behavior. At present, China has a strong stake in maintaining good relations with its neighbors and with the United States and a stable environment in the Asia-Pacific region. From this perspective, any disruption in the patterns of international trade and investment in Asia could seriously damage China's ability to

sustain high rates of economic growth, which are key to its emergence as a major power and to its preservation of domestic political stability.

Thus, for the present, we can anticipate that the Chinese will continue their step-by-step tactics and ambiguous use of force in the South China Sea to increase their presence in disputed areas. The Chinese have been adept at camouflaging their political-military operations in ostensibly innocuous garb—for instance, the construction of so-called "fishermen's shelters" on Mischief reef, which is claimed by the Philippines. Nevertheless, China's intentions, ambitions, and operating style could change over time. As China's power grows, other determinants of Chinese behavior, including the desire for regional hegemony, could lead to a more aggressive challenge to the regional status quo.

Aside from disputes involving China, there are also outstanding territorial disputes and tensions among Southeast Asian countries. The Philippines, Vietnam, and Malaysia have overlapping claims in the South China Sea. Malaysia has boundary disputes with Indonesia in Borneo, as well as a longstanding dispute with the Philippines over ownership of the eastern Malaysian state of Sabah. Thailand's primary security concern is border tensions with Burma, which, according to Thai analysts, could escalate into armed conflict. The Association of Southeast Asian Nations (ASEAN) has been remarkably successful since its inception in keeping these disputes from developing into conflicts. While ASEAN was weakened by the economic crisis and the political crisis in Indonesia, historically the keystone of ASEAN, the tendency since September 11 has been for increased security cooperation among its members against the common threat of terrorism and subversion.

THREATS OF INTERNATIONAL TERRORIST AND RADICAL NETWORKS

These threats and internal threats to stability are distinct, but related. First, I would like to provide some context. Southeast Asia is a region with one of the largest concentration of Muslims in the world, with over 200 million Muslims in Indonesia alone. Muslims are also a majority in Malaysia and constitute significant minorities in southern Thailand and the southern Philippines. This is important because many of the terrorists and militant groups are associated with radical Islamic ideologies. They represent a small minority of Muslims, but they have the potential to influence a larger substratum of the Muslim population. In fact, the strategy of some of these groups is precisely to radicalize and capture a larger share of mainstream Muslim public opinion to increase their power and influence and destabilize secular and moderate governments in the region.

The deterioration of economic and social conditions after the economic crisis in Southeast Asia and the associated political upheaval in Indonesia has produced an environment favorable to the activities of terrorists, radical groups, and separatists. There are active Muslim separatist movements in southern Thailand and the southern Philippines, as well as in the Indonesian province of Aceh. For the most part, the separatists do not recognize the legitimacy of the nation-states that exercise sovereignty in the areas they claim and they seek the establishment of independent and exclusive Islamic entities. Some of the most extreme groups see their efforts as part of an international struggle between Islam and the West.

Also, in Indonesia and Malaysia, both Muslim majority states, radical groups seek not to separate from the nation-state, but to reorganize the state in accordance with Islamic principles. These radical groups have linkages with each other, and with analogous groups in Pakistan, Afghanistan, and the Middle East.

There is evidence of the existence of Al Qaida cells in Indonesia, the Philippines, and possibly Malaysia.³ Documents from a trial in Spain of eight alleged Al Qaida members indicated that one of the suspects had been trained at a camp run by Al Qaida in Indonesia.⁴ There is also evidence of links between Al Qaida and radical Islamic movements in Southeast Asia, including Abu Sayyaf in the Philippines, Malaysian radicals, and militant Indonesian Islamic organizations.⁵ The two most active of the radical Indonesian Islamic groups are Laskar Jihad and the Defenders of Islam Front. Laskar Jihad has been waging a jihad or holy war against Christians in the Moluccas since 1999. The Front is active on the island of Java. The membership of both groups includes veterans of the war in Afghanistan and militants trained in camps in Pakistan and Afghanistan.

These groups are, of course, a direct threat to Americans. Abu Sayyaf has kidnapped and killed Americans. Some of the Indonesian radical groups have carried out what they call

³One of the suspected September 11 hijackers, identified as Khalid al-Midhar, appeared in a Malaysian surveillance videotape made last year showing him meeting in Kuala Lumpur with a non-Malaysian suspect in the October 12 bombing of the USS Cole in Aden, Yemen. Ramzi Yousef, the convicted ringleader of the 1993 terrorist attack on the World Trade Center, plotted in Manila to blow up eleven jumbo jets en route to the United States, while one of the men convicted of the 1998 bombing of the U.S. Embassy in Kenya was a student in the Philippines when he was recruited into the bin Laden organization. After the September 11 attacks, Philippine officials stated that four of the 19 suspected hijackers—Ahmed Fayez, Saeed Alghamdi, Ahmed Alghamdi, and Abdulaziz al-Omari—may have visited the Philippines and that their names appeared on immigration records.

⁴According to court documents in Spain where eight alleged terrorists have been jailed pending trial, one of the eight jailed men, Luis Jose Gallant Gonzalez, known as Yusuf Gallant, received military training at an Indonesian Al Qaida camp in July. An individual named Parlindungan Siregar, aka Parlin, was named as his contact. Parlin reportedly works in the structure of the Laskar Jihad organization. When Gallant Gonzalez was arrested at his Madrid home last week, police found guns, ammunition, knives, a bulletproof vest, forged identification documents, travel documents to Indonesia, and pictures apparently taken at the Indonesian camp. In the United States, authorities arrested an Indonesian named Agus Budiman, who is suspected of assisting one of the hijackers involved in the September 11 attacks.

⁵The Indonesian security forces reportedly foiled four terrorist attacks in Jakarta in recent months, including planned bomb attacks on the U.S. Embassy, the American Club, and the Hotel Indonesia. In August 2001, four Malaysians were arrested for the bombing of a Catholic church, a Protestant church, and the Atrium Plaza shopping mall in central Jakarta. The Malaysian government identified one of the suspects as a member of the Malaysian Mujahideen, who had recently returned from Pakistan. He was part of a group of Malaysian terrorists who traveled to Indonesia. Some reportedly joined the jihad forces in the Moluccas, while others moved on to Jakarta. Indonesian police authorities suggested that the groups were involved in Osama bin Laden's international network.

"sweepings," that is, they entered hotels and businesses looking for Americans to expel from Indonesia. The Indonesian authorities have characterized these activities as terrorism.

INTERNAL THREATS TO STABILITY

Of course, these groups do not operate in a vacuum. They operate in a political environment that has been profoundly affected by the terrorist attacks of September 11 and by the United States' response to these attacks. I will focus my discussion on Indonesia, a country that because of its size and geopolitical weight, is the key to regional security and that is now in the process of a fragile experiment with democracy; however, I will also talk about Malaysia, the Philippines, and Singapore.

President Megawati Sukarnoputri was the first leader of a major Muslim country to visit Washington after September 11. She told President Bush that Indonesia was ready to cooperate with the United States and other civilized countries in the struggle against terrorism. However, support for the war on terrorism as it manifested itself in military operations in Afghanistan became a controversial political issue in Indonesia, which extremist organizations sought to exploit. The vast majority of Indonesian Muslims have a moderate approach to religion and do not support the violent tactics of extremists, but many opposed U.S. military actions. The fear of some moderate Indonesians is that extremist Islamic organizations could end up setting the agenda for the debate on U.S. aims in Afghanistan and the broader issue of the relationship between the West and Islam.

The success of the U.S.-led campaign in Afghanistan, without large-scale civilian casualties, appears to have dampened the Muslim backlash and to some degree weakened the extremists—as seems to have been the case as well in Egypt and Pakistan. This turn of events should make it easier for the Indonesian government to take a more active part in the war on

terrorism. Nevertheless, the threats to Indonesia's stability have by no means dissipated. There is long way to go before Indonesia consolidates a stable democratic order. Given the magnitude of the stakes, the United States needs to put in place a realistic long-term program to support democratic consolidation and stability in Indonesia.

With Muslim ethnic Malays constituting 60 percent of the population, Malaysia is very sensitive to religious politics. The political system in place over the past thirty years, a multi-ethnic coalition dominated by Prime Minister Mahathir's United Malay National Organization (UMNO), is under pressure because of generational change and political divisions within UMNO, which manifested themselves in the downfall and imprisonment of former Deputy Prime Minister Anwar Ibrahim. In recent elections, the main Islamic opposition party, the Islamic Party of Malaysia (PAS), has made significant inroads into traditional UMNO strongholds; in fact, Mahathir is only kept in power by the votes of the non-Malay parties.

The aftermath of September 11 placed additional strains on the Malaysian political system. PAS declared a jihad against the United States and authorized its members to fight alongside the Taliban in Afghanistan. The government interpreted the PAS' jihad as a way of scoring political points with Muslims. The government positioned itself in general opposition to terrorism, but it is also opposing the military option in Afghanistan. Although the PAS does not advocate violence, the government contends that it has been infiltrated by Muslim extremists. In the aftermath of September 11, the authorities identified a Malaysian Mujahedeen group and detained 12 members, including the son of PAS chief Nik Abdul Aziz Nik Mat. The Malaysians also detained the Philippine Muslim rebel Nur Misuari, who fled to the Malaysian state of Sabah last month after the Philippine army put down a rebellion by his forces in Mindanao.

In the Philippines, a predominantly Christian country, the government is not exposed to the same politico-religious pressures as its counterparts in Indonesia and Malaysia, but as noted above, Manila faces a persistent Muslim insurgency and a serious terrorist threat. Thus, it is not surprising that President Macapagal-Arroyo came out strongly in support of the war on terrorism. Her government allowed U.S. forces to overfly Philippine airspace and use airfields as transit points in support of Operation Enduring Freedom. The United States, in turn, is providing anti-terrorism training and advice.

Before proceeding to a discussion of the United States approach to Southeast Asian security, I need to say a word about Singapore—figuratively and literally an island of stability in an unstable region. Singapore does not have a defense treaty with the United States, but it has a strong coincidence of interests, including maintenance of freedom of navigation and regional stability. The United States and Singapore cooperated closely in dealing with the consequences of the regional economic crisis and the political crisis in Indonesia. Singapore provides the United States with access to its military facilities and contributes significantly to burden sharing. We would expect Singapore to continue to be one of the key anchors of the U.S. military presence in Southeast Asia as the war on terrorism evolves into its next phase.

AN INTEGRATED U.S. APPROACH TO REGIONAL SECURITY

A starting point for analyzing U.S. security interests in Southeast Asia today is that the September 11 terrorist attacks fundamentally changed the calculus of U.S. interests. With the United States vitally concerned about not having its war on terrorism viewed as an anti-Islamic crusade, the support of moderate Muslim-majority countries such as Indonesia is crucially important. At the same time, it is equally important to be aware that the ultimate goal of many of these terrorist and radical groups is the destabilization of these governments. Their terrorism is a

means to an end, not an end in itself. Therefore, U.S. actions should be framed by a strategy of strengthening security structures in the region and promoting stability and democratic consolidation in states at risk. Specifically, we should do the following:

First, as we recommended in a RAND report on Asian security released earlier this year⁶ the United States should deepen and widen our bilateral security alliances and partnerships to allow for the creation of a comprehensive security network in the Asia-Pacific region. This multilateralization of our defense and security arrangements in Asia could serve as a complement rather than as a substitute for our existing bilateral alliances, and it could ultimately include the United States, Japan, the Republic of Korea, Australia, Singapore, the Philippines, and Thailand.

Initially, the United States should encourage these countries, our key friends and allies in the Asia-Pacific region, to improve the inter-operability of their armed forces so they can respond to regional crises as coalitions. Intelligence sharing, which, according to a statement by the Commander-in-Chief Pacific Command, is at an unprecedented level after September 11, is an indispensable component of any comprehensive strategy.

Second, the United States needs to promote the cohesion, stability, and territorial integrity of Indonesia and other Southeast Asian states. Economic reconstruction is critical to political stability. The United States and other allied countries should help to rebuild the economies of ASEAN countries by encouraging trade, investment and economic reform.

Indonesia's democratic evolution since the fall of Suharto has opened a window of opportunity for closer military-to-military ties with the Indonesian armed forces. There has been progress in the Bush Administration to strengthen ties at senior levels through high-level visits, conferences, and seminars. However, because of restrictions on International Military Education and Training (IMET) funds for Indonesia since 1992 there has been a "lost decade" in which few

Indonesian military officers were exposed to American methods and values. Therefore, there is a need to expeditiously normalize military-to-military relations, including the restoration of IMET funding for Indonesia.

Third, the United States needs to restore a robust security assistance program to allies in the region, especially the Philippines, a front-line state in the war on terrorism. Beyond counter-terrorism assistance, the United States should provide urgently needed air defense and naval patrol assets to the Philippines to help Manila reestablish deterrence vis-à-vis China and give a further impetus to the revitalization of the United States–Philippine defense relationship. The \$92.3 million in military assistance promised during the visit of President Macapagal-Arroyo last month is a step in the direction of redressing the shortfalls of the Philippine armed forces.

Fourth, the United States should expand and diversify its access and support arrangements in Southeast Asia to be able to effectively respond in a timely way to unexpected contingencies. After all, six months ago, who would have thought that U.S. armed forces would be confronted with the need to plan and execute a military campaign in Afghanistan?

In conclusion, the international situation after September 11 poses a complex challenge for the United States. The immediate task is to fight the terrorist organizations associated in a loose international network with those responsible for the September 11 attacks. Beyond that, what is needed in Southeast Asia is a comprehensive strategy to strengthen the ability of our regional friends and allies to counter threats to their security and stability and to act together against common security challenges, and to enhance the ability of our forces to respond to regional contingencies through improved access and support arrangements.

Thank you very much.

⁶Zalmay Khalilzad et. al., *The United States and Asia*, Santa Monica: Calif.: RAND, MR-1315-AF (2001).